



RMOTC partnership successfully tests new, less expensive drilling technology

Casper, Wyo. – Nov. 28, 2006 – The Rocky Mountain Oilfield Testing Center (RMOTC) and its partner Blast Energy Services Inc. have successfully tested an innovative new oil and gas drilling technology that when commercialized should facilitate lower production costs and increased access to reserves.

“It’s our mission to partner with industry to help bring new ideas to the marketplace that can ensure clean, reliable and affordable supplies of oil and natural gas for American consumers,” said Clarke Turner, RMOTC director.

The new technology is expected to provide oil and gas producers with an alternative to existing well stimulation services at a lower cost, while having the ability to access previously uneconomical reserves. Blast’s prototype unit, primarily a modified coil tubing unit with an abrasive mixing module, combines water and fine abrasive sand and pumps this mixture through a nozzle at up to 17,500 pounds per square inch. It is designed to cut holes, slots and windows in existing well casing.

Down-hole video cameras, available at RMOTC, proved especially useful in this project. The camera’s primary use was to verify the results of operations in the down-hole environment and to diagnose any problems that may occur. In this case, the camera verified that Blast’s new technology was able to cut holes, slots and windows in the well casing and confirmed further penetration into the rock formations beyond the well casing.

“The use of the down-hole camera was an invaluable resource for this stage of our development,” said David Adams, Blast president and co-CEO. “We were able to visually validate the technical success of the AFJ technology and verified that the surface program was exactly synchronized with the actual down-hole nozzle position.”

Blast signed a Cooperative Research and Development Agreement with the U.S. Department of Energy in October. This agreement provided for Blast to test in up to five wells to evaluate its new technology. The parties plan to continue this project at the RMOTC site in the spring of 2007.

“We are extremely pleased with the test of the abrasive cutting tool and are looking forward to additional testing at our facility next spring,” said Matt Slezak, RMOTC project manager. Blast achieved about 80 percent of the testing planned before the winter weather caused them to suspend operations.

RMOTC is a Department of Energy field test site for emerging and developing technologies to address critical energy industry issues. The field test site is a 10,000-acre operating oil field offering a full complement of associated facilities and equipment on site. There are approximately 1,200 well bores and approximately 600 producing wells ranging in depth from 500 to 5,000 feet.

Blast is a Houston-based company whose mission is to substantially improve the economics of existing oil and gas operations through the application of worldwide licensed and proprietary technologies.

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